

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

COUNTRY	East Germany	REPORT NO.	<input type="text"/> 25X1A
SUBJECT	TEWA-Neustadt Production	DATE DISTR.	25 August 1953
DATE OF INFO.	<input type="text"/>	NO. OF PAGES	4
PLACE ACQUIRED	<input type="text"/>	REQUIREMENT NO.	RD 25X1A
		REFERENCES	

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

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SOURCE:

1. TEWA-Neustadt now has a total of crew of 316. The fact that almost 200 workers have been laid off since late 1952 when production of fine nickel screen for the Russians was cancelled, has created unrest among the remaining personnel. The plant's financial situation is extremely critical. Failure on the part of the Russians to accept the 12,000 to 15,000 square meters of fine nickel screen left on the looms at the end of 1952 almost caused TEWA-Neustadt to go bankrupt. The screen in question was mostly reject screen, but a small part of it was of high quality. Since early May 1953, the plant's telephone and teletype facilities have been shut off, because bills for these services could not be paid. Credit funds promised by the government in March 1953 have not yet been received, and the bank accounts of the plant have been blocked.
2. Plant Director Maximilian Alletsee wanted to lay off additional workers because of the critical financial situation, but the East German association of trade unions (FDGB) intervened successfully on behalf of the workers. Alletsee resigned when he was forced by the FDGB to put 80 workers whom he had dismissed on leave status and pay them 90 percent of their wages. The government accepted his resignation, but he has continued to perform his duties at the plant.¹
3. TEWA-Neustadt has not yet received the Russian order for phosphorus-bronze screen which, according to the Ministry for General Machine Construction, was to be given to the Plant. In April 1953, the RUDMETAL directorate "Import" in Sofia, Bulgaria, placed with TEWA-Neustadt a provisory order for about 28,000 square meters of screen from iron, iron-zinc, and phosphorus-bronze in all sizes varying from No. 13 to No. 270 (French). The actual order, which was placed in May 1953, was for only 4,500 square meters of screen from the specified metals, most of it finer than No. 100 (French).
4. During the second quarter of 1953, the plant's main product continues to be metal screen for DEZ of various sizes between No. 16 and No. 380; these screens are made of iron, iron-zinc, brass and phosphorus-bronze. Manufacture of phosphorus-bronze screen was threatened in April 1953 when the Willischtal drawing plant, which

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supplied Neustadt with phosphorus-bronze wire, discontinued deliveries of the wire because of TEWA-Neustadt's inability to pay for them. Only after the government forced the Willischtal plant to continue deliveries without payment, was phosphorus-bronze screen production resumed.

5. At the order of the DBZ, TEWA-Neustadt is currently manufacturing for RFT Erfurt nickel wire bands 25 millimeters wide from 0.3-millimeter wire supplied by the Erfurt plant. A total of 10,000 meters of the nickel wire bands is to be delivered during the second quarter of 1953. To manufacture the metal bands, eleven reeds are operated on one loom. DBZ has also ordered similar wire bands for Funkwerk Kopenick and the Werk fuer Fernmeldewesen HF (formerly OSW). These bands are to be three to five meters long and 20 to 50 millimeters wide; they are made of nickel, molybdenum, silver and platinum wire between 0.012 and 0.30 millimeters thick. In this case too, the wire was provided by the plant for which the bands were ordered.
6. The Neustadt plant is now engaged in the production of 10,000 meters of perlon tubing (Perlonschlauch), eight millimeters in diameter; the perlon thread used to manufacture the tubing has a diameter of 0.05 millimeters. The tubing is for East German use, and although its specific destination is not known, it is alleged to be for medical purposes.

7. The following is a list of the reeds produced by the TEWA plant in April 1953:

One reed Nr. 370/27
 One reed Nr. 331/27
 One reed DIN 100
 One reed Nr. 104/27
 One reed DIN 6
 Two reeds DIN 12
 One reed Nr. 350/27
 One reed Nr. 104/27
 Two reeds DIN 30
 Five reeds of 20 millimeter width for metal bands.

From 1 to 15 May 1953, five reeds of rough sizes and one reed Nr. 400/27 were produced.

8. In April 1953, TEWA-Neustadt received a new type reed of one meter width manufactured by VEB Carl Zeiss, Jena. This reed is one meter wide and is manufactured without the use of solder; the procedure was invented by the head of the TEWA reed plant, Heinz Schmidt. The reed has not yet been put into operation, because there is no frame for it as yet. A 0.5 meter reed of the same type has already been operated with success at TEWA-Neustadt. At a meeting of the political officers of all TEWA plants held in about mid-May 1953, it was decided that, beginning 1 June 1953, the TEWA reed plant will employ the new method to manufacture all reeds of sizes up to and including No. 200/27. It is believed, however, that this will be impossible.
9. At the order of the DBZ, TEWA-Graefenthal is engaged in the manufacture of rough screens. The former firm of Baderschneider und Lenzner, Zeulenroda, now affiliated with TEWA, is devoting two looms to the manufacture of phosphorus-bronze wire ordered by DBZ. Other Zeulenroda looms are producing perlon. In the near future, Zeulenroda is to begin to produce perlon exclusively. The perlon is to be used by flour mills and plants engaged in the manufacture of abrasives.
10. TEWA employees, including those in high positions, are becoming more and more convinced that the Russians do not intend to resume their East German nickel screen production program. This belief is based, among other things, on a remark made by the Russian Palilov (fnu), in the summer of 1952, to the effect that there are possibilities of having nickel screen manufactured better and more cheaply in other countries.

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11. On 11 May 1953, two Poles appeared at TEWA-Neustadt with credentials from the East German Ministry for General Machine Construction, authorizing them to visit the plant for a period of several weeks. In the days that followed, they inspected every section of the plant, evincing particular interest in the production of fine nickel screen. They visited the TEWA reed plant frequently and tried without success to obtain information concerning the manufacture of reeds for fine screens. The two men indicated that the Polish Government would be interested in purchasing about 15,000 square meters of nickel screen, sizes No. 231 and No. 270. This screen was left over from 1952 production destined for the USSR. Most of it is screen which the Russians rejected, but between 1,200 and 1,500 square meters of it is high quality screen which was left on the TEWA looms after the last 1952 shipment had been made to the USSR. Though the Russians had promised to take this screen also, they later refused to accept it.
12. After the Poles had indicated that their government was interested in buying this screen, it was locked in a separate room until the Ministry for General Machine Construction could decide on its sale to Poland.²
13. The Poles were also interested in unused supplies of band steel for reeds now available at TEWA-Neustadt. The plant has the following supplies on hand:
 - a. about 350 kilograms of 0.055 millimeter steel left over from Russian imports.³
 - b. between 700 and 750 kilograms of band steel of Swedish origin, varying in strength from 0.025 to 1.12 millimeters; this steel was transferred from the Schietrump firm in Jena to TEWA-Neustadt. About 70 kilograms of it is 0.055 millimeter band steel.
 - c. about 400 kilograms of Swedish band steel, varying in size between 0.025 and 0.12 millimeters; this steel was allotted to TEWA Neustadt but is still stored as DIA property at the DHZ in Leipzig. DHZ Leipzig has informed TEWA-Neustadt by letter that if this steel is not soon picked up, it will be exported.

The Poles requested and obtained samples of band steel of the following strengths: 0.025 millimeter, 0.030 millimeter, 1.0170 millimeter and larger sizes between 0.30 and 0.50 millimeters.
14. The Polish visitors indicated that they would stay in East Germany for several weeks and that the purpose of their trip was to become acquainted with East German methods of producing metal screen. They also visited the metal screen factories in Graefenthal, Zeulenroda and Pausa. They were particularly interested in the manufacture of metal cloth for the paper industry, as carried out at the Pausa plant.
15. One of the Poles stated that he lived in Katowice (Stalinogrod) and that his name [redacted]. The other Pole (name unknown) asserted that he was a metal weaver foreman. [redacted] volunteered the following additional information:
 - a. Under the German occupation of Poland, he was inmate of the Mauthausen Concentration Camp.
 - b. He once owned a metal screen factory in Katowice which produced rough caliber screen, but the factory was taken over by the State when the Communists came to power in Poland.
 - c. He is now an employee of the government or of a state organization concerned with the metal screen industry.⁴
 - d. The Polish government intends to begin producing fine metal screen; such screen has not been manufactured at all in Poland up to the present time.
 - e. At an unspecified place in Poland, there is a factory for the manufacture of reed lamellae band steel. That the Russians have great interest in this plant is evident from the fact that they had a machine for cold-rolling band

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steel delivered to the plant in January 1952 and sent a Russian engineer to the plant at about the same time. According to the original plan, the Russian was to spend only four weeks at the plant, but, as of mid-May 1953, he was still there.

- f. The Polish metal screen industry is in great need of skilled workers. Gruenwald asserted that he was prepared to hire German workers for the factory at a monthly salary of from 1,800 to 2,000 zloty.
16. The Poles made several visits to the Drahtwebstuhlbau firm (formerly Jaeger) in Neustadt.

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Comments:

1. It has also been reported that Alletsee resigned because he did not wish to lay off workers, as the government ordered. The version as given here seems more plausible. 25X1A
2. As reported in [redacted], previous attempts of TEWA-Neustadt to sell this screen were prohibited by the Buero fuer Wirtschaftsfragen. 25X1A
3. In [redacted], source erroneously indicated that only 100 kilograms of this steel were left at TEWA. 25X1A
4. [redacted] Comment: [redacted] indications about his affiliation with the government or a government agency were not clear.

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CD NO.

COUNTRY

East Germany

DATE DISTR. 24 September 1953

SUBJECT

TEWA Neustadt Production

NO. OF PAGES 1

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DATE OF
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REPORT NO.

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Paragraph 15 e), line 5, of referenced report should read "January 1953 and
sent....", not "January 1952", as originally reported.

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